



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 85-130 – Regulations Governing the Practice of Licensed Midwives
Department of Health Professions
August 8, 2010

Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 646 of the 2009 Acts of the Assembly, The Board of Medicine (Board) proposes to amend its Regulations Governing Licensed Midwives to include requirements for midwives to disclose “evidence-based information on health risks associated with birth of a child outside of a hospital or birthing center”. The Board proposes to promulgate a list of for risk factors for which midwives will need to provide information to be determined later in guidance documents.

Result of Analysis

There is insufficient evidence to ascertain whether benefits will outweigh costs for these proposed changes.

Estimated Economic Impact

In 2005, the General Assembly passed a law which required the licensure of midwives and mandated the parameters of that licensure. In 2009, the legislature amended this law (Chapter 646) to require midwives to disclose evidence-based information on risk factors that might influence a patient’s choice as to whether she will give birth in a hospital or in some other setting with the aid of a midwife. The Board now proposes to amend its regulations to reflect the requirements of Chapter 646 and to list the risk factors for which midwives will have to provide evidence-based information. The regulations as amended specify that the evidence-based information will be “in guidance documents and shall include evidence-based research and clinical expertise from both the medical and midwifery models of care”.

To the extent that the evidence-based information provided to the clients of midwives allows them to make informed decisions about whether to continue with a plan to give birth outside of a hospital, these regulations will provide a benefit. For clients who choose to give birth in a hospital when that choice forestalls health problems, or even death, for themselves or their infants, those benefits will be quite large. For licensed midwives, the costs that will be accrued on account of this regulatory change will likely include some minimal costs for copying the information to be provided and lost fees for any individuals who decide on a hospital birth as a direct result of the information provided. To the extent that individuals who could have safely given birth at home are steered by the information toward a hospital delivery instead, they will incur costs that include the price differential between a home birth and a hospital birth, possible thousands of dollars, and the loss of the comfort that being in their home would likely provide them. Whether the benefits of this regulatory change outweigh the costs for this regulatory change will depend on several factors which likely include how well midwives and their potential clients currently assess any risk factors and how balanced, and therefore useful, the information that will be provided turns out to be.

Businesses and Entities Affected

The Department of Health Professions (DHP) reports that the Board currently licenses 49 midwives, all of which are independent small businesses. These individuals, any individuals who choose to be licensed in the future and pregnant women who choose home birth and use the services of midwives will all be affected by these regulations.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have little impact on employment in the Commonwealth given the very small population of individuals that currently practice midwifery.

Effects on the Use and Value of Private Property

This regulatory action may decrease the value of midwife businesses if fewer individuals choose to use midwife services on account of these regulations.

Small Businesses: Costs and Other Effects

Small businesses in the Commonwealth will likely incur minimal costs for copying information to be provided to their clients and may incur lost income.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Costs for small businesses will likely be minimized by providing the best available information on all risk factors so that individuals are not steered away from home birth unnecessarily.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.